SENATE BILL No. 416

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4; IC 13-11-2; IC 13-18-25; IC 35-52-13-3.5.

Synopsis: Infrastructure assistance fund. Establishes the infrastructure assistance fund (fund) to provide grants, loans, and other financial assistance for the planning, designing, acquisition, construction, renovation, improvement, and expansion of public water systems. Requires the Indiana finance authority (IFA) to administer the fund and to establish criteria for the making of grants, loans, and other financial assistance from the fund. Authorizes the IFA to sell loans and other obligations from the fund and to deposit the proceeds of the sales in the fund or in certain other funds. Authorizes the IFA to pledge loans and other obligations from the fund to secure other loans or financial assistance from the fund or from certain other funds. Requires the public finance director to submit a report on the fund to the budget committee and the legislative council not later than August 1 of each even numbered year through 2020. Provides that a person who, with intent to defraud, knowingly or intentionally makes a material misstatement in connection with an application for a loan or other financial assistance from the fund commits a Level 6 felony.

Effective: July 1, 2017.

Charbonneau

January 10, 2017, read first time and referred to Committee on Environmental Affairs.
SENATE BILL No. 416

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.2. "Affected statutes" means all statutes that grant a power to or impose a duty on the authority, including but not limited to IC 4-4-11, IC 4-4-11.4, IC 4-4-11.6, IC 4-4-21, IC 4-13.5, IC 5-1-16, IC 5-1-16.5, IC 5-1-17.5, IC 8-9.5, IC 8-14.5, IC 8-15, IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, IC 13-18-25, IC 13-19-5, IC 14-14, and IC 14-28-5.

SECTION 2. IC 4-4-11-2, AS AMENDED BY P.L.233-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) The legislature makes the following findings of fact:

(1) That there currently exists in certain areas of the state critical conditions of unemployment, inadequate drinking water, inadequate wastewater and storm water management, or environmental pollution, including water pollution, air pollution, sewage and solid waste, radioactive waste, thermal pollution,
radiation contamination, and noise pollution, and that these
conditions may well exist, from time to time, in other areas of the
state.
(2) That in some areas of the state such conditions are chronic and
of long standing and that without remedial measures they may
become so in other areas of the state.
(3) That economic insecurity due to unemployment, inadequate
drinking water, inadequate wastewater and storm water
management, or environmental pollution is a menace to the
health, safety, morals, and general welfare of not only the people
of the affected areas but of the people of the entire state.
(4) That involuntary unemployment and its resulting burden of
indigency falls with crushing force upon the unemployed worker
and ultimately upon the state in the form of public assistance and
unemployment compensation.
(5) That security against unemployment and the resulting spread
of indigency and economic stagnation in the areas affected can
best be provided by:
   (A) the promotion, attraction, stimulation, rehabilitation, and
       revitalization of industrial development projects, rural
devlopment projects, mining operations, and agricultural
operations that involve the processing of agricultural products;
   (B) the promotion and stimulation of international exports; and
   (C) the education, both formal and informal, of people of all
ages throughout the state by the promotion, attraction,
construction, renovation, rehabilitation, and revitalization of
and assistance to educational facility projects.
(6) That the present and prospective health, safety, morals, right
to gainful employment, and general welfare of the people of the
state require as a public purpose the provision of safe drinking
water, the provision of wastewater and storm water management,
the abatement or control of pollution, the promotion of increased
educational enrichment (including cultural, intellectual, scientific,
or artistic opportunities) for people of all ages through new,
expanded, or revitalized educational facility projects or through
assisting educational facility projects, and the promotion of
employment creation or retention through development of new
and expanded industrial development projects, rural development
projects, mining operations, and agricultural operations that
involve the processing of agricultural products.
(7) That there is a need to stimulate a larger flow of private
investment funds from commercial banks, investment bankers,
insurance companies, other financial institutions, and individuals
into such industrial development projects, rural development
projects, mining operations, international exports, and agricultural
operations that involve the processing of agricultural products in
the state.

(8) That the authority can encourage the making of loans or leases
for creation or expansion of industrial development projects, rural
development projects, mining operations, international exports,
and agricultural operations that involve the processing of
agricultural products, thus putting a larger portion of the private
capital available in Indiana for investment to use in the general
economic development of the state.

(9) That the issuance of bonds of the authority to create a
financing pool for industrial development projects and carrying
out the purposes of IC 13-18-13 and IC 13-18-21 promoting a
substantial likelihood of opportunities for:

(A) gainful employment;
(B) business opportunities;
(C) educational enrichment (including cultural, intellectual,
scientific, or artistic opportunities);
(D) the abatement, reduction, or prevention of pollution;
(E) the provision of safe drinking water;
(F) the provision of wastewater and storm water management;
(G) the removal or treatment of any substances in materials
being processed that otherwise would cause pollution when
used; or
(H) increased options for and availability of child care;
will improve the health, safety, morals, and general welfare of the
people of the state and constitutes a public purpose for which the
authority shall exist and operate.

(10) That the issuance of bonds of the authority to create a
funding source for the making of guaranteed participating loans
will promote and encourage an expanding international exports
market and international exports sales and will promote the
general welfare of all of the people of Indiana by assisting Indiana
businesses through stimulation of the expansion of international
exports sales for Indiana products and services, especially those
of small and medium-sized businesses, by providing financial
assistance through the authority.

(b) The Indiana finance authority shall exist and operate for the
public purposes of:

(1) promoting opportunities for gainful employment and business
opportunities by the promotion and development of industrial
development projects, rural development projects, mining
operations, international exports, and agricultural operations that
involve the processing of agricultural products, in any areas of the
state;
(2) promoting the educational enrichment (including cultural,
intellectual, scientific, or artistic opportunities) of all the people
of the state by the promotion, development, and assistance of
educational facility projects;
(3) promoting affordable farm credit and agricultural loan
financing at interest rates that are consistent with the needs of
borrowers for farming and agricultural enterprises;
(4) preventing and remediating environmental pollution,
including water pollution, air pollution, sewage and solid waste
disposal, radioactive waste, thermal pollution, radiation
contamination, and noise pollution affecting the health and
well-being of the people of the state by:
   (A) the promotion and development of industrial development
   projects; and
   (B) carrying out the purposes of IC 13-18-13, and IC 13-18-21,
   and IC 13-18-25;
(5) promoting the provision of safe and adequate drinking water,
helping to upgrade deteriorating infrastructure, and
promoting wastewater and storm water management to positively
affect the public health and well-being by carrying out the
purposes of IC 13-18-13, and IC 13-18-21, and IC 13-18-25;
(6) otherwise positively affecting the public health and well-being
by carrying out the purposes of IC 13-18-13, and IC 13-18-21,
and IC 13-18-25;
(7) promoting affordable and accessible child care for the people
of the state by the promotion and development of child care
facilities; and
(8) carrying out the purposes of IC 5-1-17.5 concerning a
motorsports investment district.

SECTION 3. IC 4-4-11-15, AS AMENDED BY P.L.98-2008,
SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 15. (a) The authority is granted all powers
necessary or appropriate to carry out and effectuate its public and
corporate purposes under the affected statutes, including but not
limited to the following:
   (1) Have perpetual succession as a body politic and corporate and
an independent instrumentality exercising essential public
functions.

(2) Without complying with IC 4-22-2, adopt, amend, and repeal bylaws, rules, guidelines, and policies not inconsistent with the affected statutes, and necessary or convenient to regulate its affairs and to carry into effect the powers, duties, and purposes of the authority and conduct its business under the affected statutes. These bylaws, rules, guidelines, and policies must be made by a resolution of the authority introduced at one (1) meeting and approved at a subsequent meeting of the authority.

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make, execute, and enforce contracts and all other instruments necessary, convenient, or desirable for the purposes of the authority or pertaining to:

(A) a purchase, acquisition, or sale of securities or other investments; or

(B) the performance of the authority's duties and execution of any of the authority's powers under the affected statutes.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by the affected statutes. Notwithstanding any other law, the:

(A) issuance by the authority of any indebtedness that establishes a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to restore a debt service reserve fund or another fund to required levels; or

(B) execution by the authority of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the authority;

is subject to review by the budget committee and approval by the
budget director.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority, including the power to pay premiums on any insurance or reinsurance.

(11) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, and accept, from any source, aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of the affected statutes, subject to the conditions upon which the grants or contributions are made, including but not limited to gifts or grants from any department, agency, or instrumentality of the United States, and lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property or any interest in real or personal property, wherever situated, for any purpose consistent with the affected statutes.

(12) Enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders and enter into loan agreements, sales contracts, and leases with contracting parties, including participants (as defined in IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13, or IC 13-18-21, or IC 13-18-25, borrowers, lenders, developers, or users, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural enterprise (as defined in IC 5-28-31-1), rural development project (as defined in IC 5-28-31-20), industrial development project, purpose permitted under IC 13-18-13, and IC 13-18-21, and IC 13-18-25, or international exports, and distribute data and information concerning the encouragement and improvement of agricultural enterprises and agricultural employment, rural development projects, industrial development projects, international exports, and other types of employment in the state undertaken with the assistance of the authority under this chapter.

(13) Enter into contracts or agreements with lenders and lessors for the servicing and processing of loans and leases pursuant to the affected statutes.

(14) Provide technical assistance to local public bodies and to profit and nonprofit entities in the development or operation of agricultural enterprises, rural development projects, and industrial development projects.

(15) To the extent permitted under its contract with the holders of
the bonds of the authority, consent to any modification with
respect to the rate of interest, time, and payment of any
installment of principal or interest, or any other term of any
contract, loan, loan note, loan note commitment, contract, lease,
or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of
bonds of the authority, enter into contracts with any lender
containing provisions enabling it to reduce the rental or carrying
charges to persons unable to pay the regular schedule of charges
when, by reason of other income or payment by any department,
agency, or instrumentality of the United States of America or of
this state, the reduction can be made without jeopardizing the
economic stability of the agricultural enterprise, rural
development project, or industrial development project being
financed.

(17) Notwithstanding IC 5-13, but subject to the requirements of
any trust agreement entered into by the authority, invest:
(A) the authority's money, funds, and accounts;
(B) any money, funds, and accounts in the authority's custody;
and
(C) proceeds of bonds or notes;
in the manner provided by an investment policy established by
resolution of the authority.

(18) Fix and revise periodically, and charge and collect, fees and
charges as the authority determines to be reasonable in connection
with:
(A) the authority's loans, guarantees, advances, insurance,
commitments, and servicing; and
(B) the use of the authority's services or facilities.

(19) Cooperate and exchange services, personnel, and information
with any federal, state, or local government agency, or
instrumentality of the United States or this state.

(20) Sell, at public or private sale, with or without public bidding,
any loan or other obligation held by the authority.

(21) Enter into agreements concerning, and acquire, hold, and
dispose by any lawful means, land or interests in land, building
improvements, structures, personal property, franchises, patents,
accounts receivable, loans, assignments, guarantees, and
insurance needed for the purposes of the affected statutes.

(22) Take assignments of accounts receivable, loans, guarantees,
insurance, notes, mortgages, security agreements securing notes,
and other forms of security, attach, seize, or take title by
foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease or rent such industrial development project for any use.

(23) Expend money provided to the authority by the Indiana economic development corporation from the industrial development project guaranty fund created by IC 5-28-30, subject to the terms of any agreement with the Indiana economic development corporation governing the expenditure of that money.

(24) Purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve industrial development projects, including land, machinery, equipment, or any combination thereof.

(25) Lease industrial development projects to users or developers, with or without an option to purchase.

(26) Sell industrial development projects to users or developers, for consideration to be paid in installments or otherwise.

(27) Make direct loans from the proceeds of the bonds to users or developers for:

   (A) the cost of acquisition, construction, or installation of industrial development projects, including land, machinery, equipment, or any combination thereof; or
   (B) eligible expenditures for an educational facility project described in IC 4-4-10.9-6.2(a)(2);

with the loans to be secured by the pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the users or developers.

(28) Lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to such lender to be used for making a loan to a developer or user for the financing of industrial development projects under this chapter.

(29) Enter into agreements with users or developers to allow the users or developers, directly or as agents for the authority, to wholly or partially construct industrial development projects to be leased from or to be acquired by the authority.

(30) Establish reserves from the proceeds of the sale of bonds, other funds, or both, in the amount determined to be necessary by the authority to secure the payment of the principal and interest on the bonds.
(31) Adopt rules and guidelines governing its activities authorized under the affected statutes.

(32) Use the proceeds of bonds to make guaranteed participating loans.

(33) Purchase, discount, sell, and negotiate, with or without guaranty, notes and other evidences of indebtedness.

(34) Sell and guarantee securities.

(35) Make guaranteed participating loans under IC 4-4-21-26.

(36) Procure insurance to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss, and any other insurance the authority considers necessary, including insurance to secure the payment of principal and interest on notes or other obligations of the authority.

(37) Provide performance bond guarantees to support eligible export loan transactions, subject to the terms of the affected statutes.

(38) Provide financial counseling services to Indiana exporters.

(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.

(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is located.

(41) Cooperate with other public and private organizations to promote export trade activities in Indiana.

(42) Cooperate with the Indiana economic development corporation in taking any actions necessary for the administration of the agricultural loan and rural development project guarantee fund established by IC 5-28-31.

(43) In cooperation with the Indiana economic development corporation, take assignments of notes and mortgages and security agreements securing notes and other forms of security, and attach, seize, or take title by foreclosure or conveyance to any agricultural enterprise or rural development project when a guaranteed loan to the enterprise or rural development project is clearly in default and when in the opinion of the Indiana economic development corporation the acquisition is necessary to safeguard the agricultural loan and rural development project guarantee fund, and sell, or on a temporary basis, lease or rent the agricultural enterprise or rural development project for any use.

(44) Expend money provided to the authority by the Indiana economic development corporation from the agricultural loan and
rural development project guarantee fund created by IC 5-28-31, subject to the terms of any agreement with the Indiana economic development corporation governing the expenditure of that money.

(45) Reimburse from bond proceeds expenditures for industrial development projects under this chapter.

(46) Acquire, hold, use, and dispose of the authority's income, revenues, funds, and money.

(47) Purchase, acquire, or hold debt securities or other investments for the authority's own account at prices and in a manner the authority considers advisable, and sell or otherwise dispose of those securities or investments at prices without relation to cost and in a manner the authority considers advisable.

(48) Fix and establish terms and provisions with respect to:

(A) a purchase of securities by the authority, including dates and maturities of the securities;
(B) redemption or payment before maturity; and
(C) any other matters that in connection with the purchase are necessary, desirable, or advisable in the judgment of the authority.

(49) To the extent permitted under the authority's contracts with the holders of bonds or notes, amend, modify, and supplement any provision or term of:

(A) a bond, a note, or any other obligation of the authority; or
(B) any agreement or contract of any kind to which the authority is a party.

(50) Subject to the authority's investment policy, do any act and enter into any agreement pertaining to a swap agreement (as defined in IC 8-9.5-9-4) related to the purposes of the affected statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7, whether the action is incidental to the issuance, carrying, or securing of bonds or otherwise.

(51) Do any act necessary or convenient to the exercise of the powers granted by the affected statutes, or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers. The omission of a power from the list in subsection (a) does not imply that the authority lacks that power. The authority may exercise any power that is not listed in subsection...
(a) but is consistent with the powers listed in subsection (a) to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

(d) The authority shall work with and assist the Indiana housing and community development authority established by IC 5-20-1-3, the ports of Indiana established under IC 8-10-1-3, and the state fair commission established by IC 15-13-2-1 in the issuance of bonds, notes, or other indebtedness. The Indiana housing and community development authority, the ports of Indiana, and the state fair commission shall work with and cooperate with the authority in connection with the issuance of bonds, notes, or other indebtedness.

SECTION 4. IC 4-4-11-15.4, AS ADDED BY P.L.235-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 15.4. (a) The authority may issue bonds or notes and invest or loan the proceeds of those bonds or notes to a participant (as defined in IC 13-11-2-151.1) for the purposes of:

(1) the wastewater revolving loan program established by IC 13-18-13-1; and
(2) the drinking water revolving loan program established by IC 13-18-21-1;

(3) the supplemental drinking water and wastewater assistance program established by IC 13-18-21-21; and
(4) the infrastructure assistance program established by IC 13-18-25-1.

(b) If the authority loans money to or purchases debt securities of a political subdivision (as defined in IC 13-11-2-164(a) and IC 13-11-2-164(b)), the authority may, by the resolution approving the bonds or notes, provide that subsection (c) is applicable to the political subdivision.

(c) Notwithstanding any other law, to the extent that any department or agency of the state, including the treasurer of state, is the custodian of money payable to the political subdivision (other than for goods or services provided by the political subdivision), at any time after written notice to the department or agency head from the authority that the political subdivision is in default on the payment of principal or interest on the obligations then held or owned by or arising from an agreement with the authority, the department or agency shall withhold the payment of that money from that political subdivision and pay over the
money to the authority for the purpose of paying principal of and
interest on bonds or notes of the authority. However, the withholding
of payment from the political subdivision and payment to the authority
under this section must not adversely affect the validity of the
obligation in default.

SECTION 5. IC 4-4-11-40, AS AMENDED BY P.L.235-2005,
SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 40. Except as provided in IC 13-18-13, or
IC 13-18-21, or IC 13-18-25, all income and assets of the authority are
for its own use without appropriation, but shall revert to the state
general fund if the authority by resolution transfers money to the state
general fund or if the authority is dissolved.

SECTION 6. IC 4-4-11-44.6, AS ADDED BY P.L.235-2005,
SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 44.6. (a) For purposes of this section, "program"
refers to:

(1) a program defined in IC 13-11-2-172(a) through
IC 13-11-2-172(b); and

(2) the supplemental drinking water and wastewater assistance
program established by IC 13-18-21-21; or

(3) the infrastructure assistance program established by
IC 13-18-25-1.

(b) Notwithstanding any statute applicable to or constituting any
limitation on the investment or reinvestment of funds by or on behalf
of political subdivisions:

(1) a participant receiving financial assistance in connection with
a program may invest and reinvest funds that constitute, replace,
or substitute for the proceeds of bonds or other evidence of
indebtedness sold to the authority under the program, together
with any account or reserves of a participant not funded with the
proceeds of the bonds or other evidence of indebtedness
purchased by the authority but which secure or provide payment
for those bonds or other evidence of indebtedness, in any
instrument or other investment authorized under a resolution of
the authority; and

(2) a participant that is obligated to make payments on bonds or
other evidence of indebtedness purchased in connection with the
operation of a program may invest and reinvest funds that
constitute, replace, or substitute for the proceeds of those bonds
or other evidence of indebtedness, together with any account or
reserves of a participant not funded with the proceeds of the
bonds or other evidence of indebtedness purchased under the
program but which secure or provide payment for those bonds or
other evidence of indebtedness, in any instrument or other
investment authorized under a resolution of the authority.

SECTION 7. IC 13-11-2-16, AS AMENDED BY P.L.235-2005,
SECTION 126, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 16. (a) "Authority", for purposes of IC 13-22-10, refers to the Indiana hazardous waste facility site approval authority.

(b) "Authority", for purposes of IC 13-18-13, IC 13-18-21,
IC 13-18-25, and IC 13-19-5, refers to the Indiana finance authority created under IC 4-4-11.


(1) 33 U.S.C. 1251 et seq.; and

(2) regulations adopted under 33 U.S.C. 1251 et seq.

SECTION 9. IC 13-11-2-83, AS AMENDED BY P.L.235-2005,
SECTION 127, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2017]: Sec. 83. (a) "Financial assistance agreement", for purposes of IC 13-18-13, refers to an agreement between:

(1) the Indiana finance authority; and

(2) a participant under IC 13-18-13;

establishing the terms and conditions of a loan or other financial assistance, including forgiveness of principal if allowed under federal law, by the state to the participant under that chapter.

(b) "Financial assistance agreement", for purposes of IC 13-19-5, means an agreement between the authority and a political subdivision that:

(1) is approved by the budget agency; and

(2) establishes the terms and conditions of a loan or other financial assistance by the state to the political subdivision.

(c) "Financial assistance agreement", for purposes of IC 13-18-21, refers to an agreement between:

(1) the Indiana finance authority; and

(2) a participant under IC 13-18-21;

establishing the terms and conditions of a loan or other financial assistance, including forgiveness of principal if allowed under federal law, by the state to the participant under IC 13-18-21.

(d) "Financial assistance agreement", for purposes of IC 13-18-25, refers to an agreement between:
(1) the Indiana finance authority; and
(2) a participant under IC 13-18-25;
establishing the terms and conditions of a loan or other financial
assistance, including forgiveness of principal.

SECTION 10. IC 13-11-2-87, AS AMENDED BY P.L.96-2016,
SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2017]: Sec. 87. (a) "Fund", for purposes of IC 13-14-12, refers
to the environmental management special fund.
(b) "Fund", for purposes of IC 13-15-10, refers to the waste facility
operator trust fund.
(c) "Fund", for purposes of IC 13-15-11, refers to the environmental
management permit operation fund.
(d) "Fund", for purposes of IC 13-17-6, refers to the asbestos trust
fund.
(e) "Fund", for purposes of IC 13-17-8, refers to the Title V
operating permit program trust fund.
(f) "Fund", for purposes of IC 13-18-8-5, refers to a sanitary fund.
(g) "Fund", for purposes of IC 13-18-13, refers to the wastewater
revolving loan fund established by IC 13-18-13-2.
(h) "Fund", for purposes of IC 13-18-21, refers to the drinking water
revolving loan fund established by IC 13-18-21-2. The term does not
include the supplemental fund established by IC 13-18-21-22.
(i) "Fund", for purposes of IC 13-18-25, refers to the
infrastructure assistance fund established by IC 13-18-25-2.
(j) "Fund", for purposes of IC 13-19-5, refers to the
environmental remediation revolving loan fund established by
(k) "Fund", for purposes of IC 13-20-4, refers to the municipal
waste transportation fund.
(l) "Fund", for purposes of IC 13-20-13, refers to the waste tire
management fund.
(m) "Fund", for purposes of IC 13-20-22, refers to the state solid
waste management fund.
(n) "Fund", for purposes of IC 13-21-7, refers to the waste
management district bond fund.
(o) "Fund", for purposes of IC 13-21-13-2, refers to a district
solid waste management fund.
(p) "Fund", for purposes of IC 13-23-6, refers to the
underground petroleum storage tank trust fund.
(q) "Fund", for purposes of IC 13-23-7 and IC 13-23-8, refers to
the underground petroleum storage tank excess liability trust fund (or
ELTF).
"Fund", for purposes of IC 13-25-4, refers to the hazardous substances response trust fund.

"Fund", for purposes of IC 13-25-5, refers to the voluntary remediation fund.

"Fund", for purposes of IC 13-28-2, refers to the voluntary compliance fund.

SECTION 11. IC 13-11-2-151.1, AS AMENDED BY P.L.235-2005,
SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 151.1. "Participant" means the following:

1. For purposes of IC 13-18-13:
   a. a political subdivision; or
   b. any person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under the Clean Water Act.

2. For purposes of the drinking water revolving loan program under IC 13-18-21:
   a. a political subdivision; or
   b. any person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under the Safe Drinking Water Act.

3. For purposes of the supplemental drinking water and wastewater assistance program under IC 13-18-21-21 through IC 13-18-21-29:
   a. a political subdivision; or
   b. any person, entity, association, trust, or other manner of participant permitted by law to enter contractual arrangements for a purpose eligible for assistance under IC 13-18-21-21 through IC 13-18-21-29.

4. For purposes of the infrastructure assistance program under IC 13-18-25:
   a. a political subdivision; or
   b. any person, entity, association, trust, or other manner of participant permitted by law to enter into contractual arrangements for assistance under IC 13-18-25.

SECTION 12. IC 13-11-2-164 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 164. (a) "Political subdivision", for purposes of IC 13-18-13, means:

1. a political subdivision (as defined in IC 36-1-2);
2. a regional water, sewage, or solid waste district organized
under:
  (A) IC 13-26; or
  (B) IC 13-3-2 (before its repeal July 1, 1996); or
  (3) a local public improvement bond bank organized under IC 5-1.4.

(b) "Political subdivision", for purposes of IC 13-18-21 and IC 13-18-25, means:
  (1) a political subdivision (as defined in IC 36-1-2);
  (2) a regional water, sewage, or solid waste district organized under:
       (A) IC 13-26; or
       (B) IC 13-3-2 (before its repeal July 1, 1996);
       (3) a local public improvement bond bank organized under IC 5-1.4;
       (4) a qualified entity described in IC 5-1.5-1-8(4) that is a public water utility described in IC 8-1-2-125; or
       (5) a conservancy district established for the purpose set forth in IC 14-33-1-1(a)(4).

(c) "Political subdivision", for purposes of IC 13-19-5, has the meaning set forth in IC 36-1-2-13 and includes a redevelopment district under IC 36-7-14 or IC 36-7-15.1.

SECTION 13. IC 13-11-2-172 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 172. (a) "Program", for purposes of IC 13-18-13, refers to the wastewater revolving loan program established by IC 13-18-13-1.

(b) "Program", for purposes of IC 13-18-21, refers to the drinking water revolving loan program established by IC 13-18-21-1. The term does not include the supplemental program.

(c) "Program", for purposes of IC 13-18-25, refers to the infrastructure assistance program established by IC 13-18-25-1.

(d) "Program", for purposes of IC 13-19-5, refers to the environmental remediation revolving loan program established by IC 13-19-5-1.

(d) "Program", for purposes of IC 13-23, refers to an underground storage tank release:
  (1) detection;
  (2) prevention; and
  (3) correction;
program created in accordance with the requirements of IC 13-23 or IC 13-7-20 (before its repeal).

SECTION 14. IC 13-11-2-177.3, AS AMENDED BY P.L.112-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE


(1) 42 U.S.C. 300f et seq.; and
(2) regulations adopted under 42 U.S.C. 300f et seq.

SECTION 16. IC 13-11-2-223.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 223.5. "Storm water management program", for purposes of IC 13-18-21 and IC 13-18-25, means a program that is consistent with the requirements in:

(1) 40 CFR 122.26(d)(2)(iv) for a proposed management program; or
(2) 40 CFR 122.34 for a storm water management program.

SECTION 17. IC 13-18-25 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

Chapter 25. Infrastructure Assistance Program
Sec. 1. The infrastructure assistance program is established.
Sec. 2. (a) The infrastructure assistance fund is established as a source of money for grants, loans, and other financial assistance to, or for the benefit of, participants in the program.
(b) The fund shall be administered, held, and managed by the authority.
(c) The authority shall invest or cause to be invested all or a part of the fund, pursuant to the authority's investment policy, in a fiduciary account or accounts with a trustee that is a financial institution. Notwithstanding any other law, any investment under this subsection may be made by the trustee in accordance with one (1) or more trust agreements or indentures. A trust agreement or indenture referred to in this subsection may permit disbursements by the trustee to the authority, the department, the budget agency, a participant, or any other person as provided in the trust agreement or indenture.
(d) The fund consists of the following:
(1) Fees and other amounts received by the state, paid by the treasurer of state to the authority upon warrants issued by the auditor of state, and deposited in the fund.
(2) Appropriations to the fund from the general assembly.

(3) Grants and gifts of money to the fund.

(4) Proceeds of the sale of:
   (A) gifts to the fund; and
   (B) loans, evidences of other financial assistance, and other obligations evidencing the loans or other financial assistance, as provided in sections 5 through 9 of this chapter.

(5) Repayments of loans and other financial assistance from the fund, including interest, premiums, and penalties.

(e) Fees and other amounts received by the state pursuant to law concerning the funding of the infrastructure assistance fund shall be paid monthly by the treasurer of state to the authority upon warrants issued by the auditor of state and deposited in the fund.

(f) The expenses of administering the fund shall be paid from money in the fund.

(g) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 3. Money in the infrastructure assistance fund may be used to do the following:

(1) Provide grants, loans, and other financial assistance to or for the benefit of participants for:
   (A) the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems; and
   (B) other activities necessary or convenient to complete the tasks referred to in clause (A) whether or not the other activities are permitted by the Clean Water Act or the Safe Drinking Water Act.

(2) Provide grants, loans, or other financial assistance to or for the benefit of participants for:
   (A) the planning, designing, acquisition, construction, renovation, improvement, or expansion of wastewater or storm water collection and treatment systems; and
   (B) other activities necessary or convenient to complete the tasks referred to in clause (A) whether or not the other activities are permitted by the Clean Water Act or the Safe Drinking Water Act.

(3) Provide grants to political subdivisions for tasks associated with the development and preparation of:
   (A) long term control plans;
   (B) use attainability analyses; and
(C) storm water management programs.

(4) Undertake tasks associated with the development and preparation of water, wastewater, and storm water infrastructure and resource analyses.

(5) Conduct all other activities that are permitted by the Clean Water Act or the Safe Drinking Water Act.

Sec. 4. The authority shall adopt guidelines under IC 4-4-11-15(a)(2) to establish criteria for the making of grants, loans, and other financial assistance from the infrastructure assistance fund.

Sec. 5. (a) The making of grants and loans and the providing of other financial assistance from the infrastructure assistance fund to or for the benefit of participants under this chapter are subject to the following conditions:

(1) A grant, loan, or other financial assistance may be used:

(A) for:

(i) the planning, designing, acquiring, constructing, renovating, improving, or expanding of public water systems; and
(ii) other activities necessary or convenient to the completion of the tasks referred to in item (i);

(B) to:

(i) establish guaranties, reserves, or sinking funds, including guaranties, reserves, or sinking funds to secure and pay, in whole or in part, loans or other financial assistance made from sources other than the fund (including financial institutions), for a purpose permitted by clause (A); or
(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.
(ii) Other costs or expenses necessary or incident to the making of grants, loans, or other financial assistance or the administration of the fund or the program.

(2) A grant may be used for tasks associated with the development and preparation of water infrastructure and resource analyses.

(3) The authority must establish the terms and conditions that the authority considers necessary or convenient to the making
of grants or loans or providing of other financial assistance
under this chapter.

(b) In addition to exercising its powers under subsection (a), the
authority may also make grants or loans or provide other financial
assistance from the fund to or for the benefit of a participant under
the following conditions:

(1) A grant, loan, or other financial assistance may be used:
(A) for planning, designing, acquiring, constructing,
renovating, improving, or expanding wastewater or storm
water collection and treatment systems, and other
activities necessary or convenient to the completion of
these tasks;
(B) to:
(i) establish guaranties, reserves, or sinking funds,
including guaranties, reserves, or sinking funds to secure
and pay, in whole or in part, loans or other financial
assistance made from sources other than the
infrastructure assistance fund (including financial
institutions), for a purpose permitted by clause (A); or
(ii) provide interest subsidies;
(C) to pay financing charges, including interest on the loan
during construction and for a reasonable period after the
completion of construction; or
(D) to pay:
(i) consultant, advisory, and legal fees; and
(ii) other costs or expenses necessary or incident to the
grant, loan, or other financial assistance or the
administration of the infrastructure assistance fund or
the infrastructure program.

(2) A grant may be used for tasks associated with the
development and preparation of:
(A) long term control plans;
(B) use attainability analyses;
(C) storm water management programs; or
(D) other wastewater or storm water infrastructure and
resource analyses.

(3) The authority must establish the terms and conditions that
the authority considers necessary or convenient to the making
of grants or loans or providing of other financial assistance
under this chapter.

Sec. 6. (a) An application for a grant, loan, or other financial
assistance from the infrastructure assistance fund must be
accompanied by all papers and opinions required by the authority.

(b) The authority may require that an application for a loan or other financial assistance from the infrastructure assistance fund be accompanied by the following:

1. A certification and guarantee of signatures.
2. A certification that, as of the date of the loan or other financial assistance, no litigation is pending challenging the validity of or entry into:
   - (A) the grant, loan, or other financial assistance; or
   - (B) any security for the loan or other financial assistance.
3. Any other certifications, agreements, security, or requirements that the authority requests.

Sec. 7. A participant receiving a grant, loan, or other financial assistance from the infrastructure assistance fund shall enter into a financial assistance agreement with the authority. A financial assistance agreement entered into under this section is a valid, binding, and enforceable agreement of the participant.

Sec. 8. (a) The authority may sell loans, evidences of other financial assistance, and other obligations evidencing the loans or other financial assistance from the infrastructure assistance fund:

1. periodically;
2. at any price; and
3. on terms acceptable to the authority.

(b) Proceeds of sales under subsection (a) shall be deposited in:

1. the infrastructure assistance fund;
2. the wastewater revolving loan fund established by IC 13-18-13-2;
3. the drinking water revolving loan fund established by IC 13-18-21-2; or
4. the supplemental drinking water and wastewater assistance fund established by IC 13-18-21-22;

at the direction of the authority.

Sec. 9. (a) The authority may pledge loans, evidences of other financial assistance, and other obligations evidencing the loans or other financial assistance from the infrastructure assistance fund to secure other loans or financial assistance from:

1. the infrastructure assistance fund;
2. the wastewater revolving loan fund established by IC 13-18-13-2;
3. the drinking water revolving loan fund established by IC 13-18-21-2; or
IC 13-18-21-2; or

(4) the supplemental drinking water and wastewater assistance fund established by IC 13-18-21-22;

for the benefit of participants.

(b) The terms of a pledge under this section must be acceptable to the authority.

(c) Notwithstanding any other law, a pledge of property made by the authority under this section is binding from the time the pledge is made. Revenues, other money, or other property pledged and thereafter received are immediately subject to the lien of the pledge without any further act. The lien of a pledge is binding against all parties having claims of any kind in tort, contract, or otherwise against:

(1) the authority;
(2) the budget agency; or
(3) the infrastructure assistance fund;

regardless of whether the parties have notice of any lien.

(d) A resolution, an indenture, or another instrument by which a pledge is created under this section does not have to be filed or recorded, except in the records of the authority.

(e) Action taken to:

(1) enforce a pledge made under this section; and
(2) realize the benefits of the pledge;

is limited to the property pledged.

(f) A pledge under this section does not create a liability or indebtedness of the state.

Sec. 10. Not later than August 1 of each even numbered year through 2020, the public finance director shall prepare for the budget committee established by IC 4-12-1-3 and the legislative council a report that includes the following:

(1) Information concerning the financial assistance made available to participants from the infrastructure assistance fund during the two (2) most recent fiscal years.
(2) Any other information requested by the budget committee and the legislative council.

The report must be submitted in an electronic format under IC 5-14-6.

Sec. 11. A person who, with intent to defraud, knowingly or intentionally makes a material misstatement in connection with an application for a loan or other financial assistance from the infrastructure assistance fund commits a Level 6 felony.

SECTION 18. IC 35-52-13-3.5 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2017]: Sec. 3.5. IC 13-18-25-11 defines a crime concerning an application for a loan or other financial assistance from the infrastructure assistance fund.